GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:6240
ANSWERED ON:05.05.2000
ECONOMIC REFORMS
ABDUL HAMID;JAGDAMBI PRASAD YADAV

Will the Minister of FINANCE be pleased to state:

(a) the benefits earned by the country from economic reforms adopted by the Government in the era of liberalisation and globalisation;

(b) the measures being taken to safeguard the interests of down-trodden section of the society; and

(c) the measures being taken to prevent the economic set up of the shattering small and cottage industries?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a) & (b): The economic reforms initiated in the last few years have had a favourable impact in terms of acceleration in overall growth of the economy, build up of a comfortable foreign exchange reserve position, lower rate of inflation and substantial inflow of foreign capital.

The goal of economic reforms is faster growth with employment and equity. Unless the economy grows in the coming years at a rate of atleast seven to eight percent, it will be difficult to eradicate poverty and unemployment. For achieving rapid and multi-sectoral growth, it is necessary to pursue a bold strategy of economic reforms.

(c): The strategy in this regard is to support the sector through promotional policies of credit and technology. The Union Budget 2000-01 proposes a number of measures for improving credit to small scale units, including diluting the requirements for collateral security and formulating a credit guarantee scheme.